

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2009-190-E - ORDER NO. 2012-301
APRIL 25, 2012

IN RE: Application of Progress Energy Carolinas,)	ORDER APPROVING
Incorporated for Approval of Proposed)	RESIDENTIAL PREPAY
Experimental Tariff, Residential Service –)	PILOT PROGRAM
Prepay Pilot Program Schedule RPP-18)	

This matter comes before the Public Service Commission of South Carolina (“Commission”) on the Application of Progress Energy Carolinas, Inc. (“PEC” or the “Company”) for approval of its proposed experimental tariff, Residential Service-Prepay Pilot Program Schedule RPP-18 (the “Prepay Program”). The Company also seeks a determination from this Commission that all costs incurred by PEC associated with the Prepay Program will be eligible for cost recovery in accordance with Commission Order No. 2009-373 (upon exhaustion of available federal funds). Additionally, the Company seeks waiver of a number of Commission Rules and Regulations, as described *infra* at pp. 3-5.

The Company presented information about the program at an allowable *ex parte* briefing on March 21, 2012. On March 27, 2012, the Company filed a revised Application correcting several errors that were brought to light during the briefing.

The Prepay Program is a voluntary program in which participants will pay for energy use in advance of their consumption, rather than being billed for usage after it has occurred. Customers in the program will receive daily updates regarding their energy

usage, thereby allowing them greater control over their energy use and bills. The Company states that similar programs report 10 – 15% energy savings. The Prepay Program is designed to run through December 2014 and will be funded from a Department Of Energy ("DOE") designated American Recovery and Reinvestment Act ("ARRA") grant until April 2013. According to the Company, the primary objectives of Prepay are to measure and validate the achieved energy and capacity savings resulting from offering customers a prepaid payment option, and to better understand the drivers and persistence behind the associated energy savings.

Prepay Program participants will receive a new meter with advanced capabilities including remote connect/disconnect and daily automated meter reads utilizing a 2-way communication network. Participants will not receive paper bills or paper communications throughout the program, but instead will elect to receive communications through a web portal, emails, text messages, phone calls, or an in-home display device. These communications provide the customer ways to monitor daily usage, shown in number of days of power remaining, dollars remaining, and kWh remaining.

Up to 250 in-home displays will be provided to Prepay participants on a first come, first served basis. Customers may request a display or may be offered one if they do not have access to internet service, email or a mobile device. There is no charge for the in-home display to the customer during the Prepay Program.

The Company seeks Commission waiver of a number of Commission Rules and Regulations to which this program does not strictly conform, as listed below:

- Regulation 103-321, Meter Reading. PEC requests waiver of this Regulation in its entirety.
- Regulation 103-339, Customer Billing. PEC requests waiver of:
 - Subsection 2, Bill Forms, in its entirety;
 - The portion of Subsection 5, Charges for Discontinuance and Reconnection, which states, "... the electrical utility may make reasonable charges, to be approved by the Commission, for the cost incurred in discontinuing the service and reconnection and require payment for service billed and for service used which has not previously been billed;" and
 - The portion of Subsection 6, Estimated Bills, which states that a utility "shall not send a customer an estimated bill, except for a good cause ..." and "[i]n no instance will more than one estimated bill be rendered within a sixty-day period ..."
- Regulation 103-340, Adjustment of Bills. PEC requests waiver of:
 - Subsection 5, Equal Payment Plans, in its entirety; and
 - The portion of Subsection 6(c), which states "[t]he customer shall be allowed to pay the deficient amount, in equal installments added to the regular monthly bills, over the same number of billing periods which occurred during the interval the customer was subject to pay the deficient amount."

- Regulation 103-342, Reasons For Denial or Discontinuance of Service. PEC requests waiver of:
 - The portion of Subsection (d)(2), which states, "[a] customer's bill may be adjusted to reflect normal usage should any tampering reflect other than normal meter readings and the customer's bill may include the establishment of a deposit in accordance with the commission's regulation 103-332 et seq."
 - Subsection (g) in its entirety.
- Regulation 103-352, Procedures for Termination of Service. PEC requests waiver of
 - Subsection (a) in its entirety;
 - Subsection (b) in its entirety;
 - Subsection (c) in its entirety;
 - The portion of Subsection (d), which states, "... or to make arrangements for the satisfaction of the balance of his account through a deferred payment plan ...";
 - Subsection (e) in its entirety;
 - Subsection (f) in its entirety; and
 - The portion of Subsection (g), which states, "[e]lectric service may be terminated only on Monday through Thursday between the hours of 8:00 a.m. and 4:00 p.m., unless provisions have been made for the availability of the acceptance of payment and the reconnection of service. Electric

service may not be terminated on the day preceding any day on which the electric utility's collection offices are closed, unless provisions have been made for the availability of the acceptance of payment and the reconnection of service. All employees of electrical utilities assigned to terminate service shall be authorized to accept payment from customers subject to termination of service or in lieu thereof at the electrical utility's option, allow such customer at least one full working day beyond the initial date set for termination the opportunity to make satisfactory arrangements on the account at the offices of the electrical utility..."

We approve the Pilot Program, including waiver of the listed Rules and Regulations. The Company shall apply for recovery of program costs through its DSM/EE Rider. At that time, the Commission and the Office of Regulatory Staff ("ORS") will evaluate the requested costs. Additionally, the Company shall clearly state in any literature or communication provided to customers describing the program that all methods of prepayment require transaction fees.

APRIL 25, 2012

PAGE 6

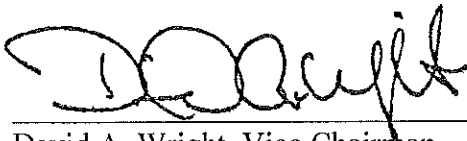
This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



John E. Howard, Chairman

ATTEST:



David A. Wright, Vice Chairman
(SEAL)